

~~Oklahoma—84,000; and Texas—458,000 in Attachment E.~~ In order to provide CLECs with advance planning information, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall provide written or electronic notice to CLECs operating in the relevant state when 50 percent and 80 percent of these termination numbers are reached in each ~~SBC/Ameritech~~ Bell Atlantic/GTE State. If the Offering Window in a state ends for the Resale promotions in that state because the maximum allowable quantity listed in this Paragraph has been exceeded in that state, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall file notice with the Secretary of the Commission, the relevant state commission and the CLECs operating in that state, within 3 business days after terminating the Offering Window for the availability of promotional resale discounts in the state.

**XVI. ~~Carrier-to-Carrier Promotions: UNE Platform~~**  
[Text deleted]

**XVII. XIII. Offering of UNEs**

~~53. SBC/Ameritech shall continue to make available to telecommunications carriers, in the SBC/Ameritech Service Area within each of the SBC/Ameritech States, such UNEs or combinations of UNEs that were made available in the state under SBC's or Ameritech's local interconnection agreements as in effect on January 24, 1999, under the same terms and conditions that such UNEs or combinations of UNEs were made available on January 24, 1999, until the earlier of (i) the date the Commission issues a final order in its UNE remand proceeding in CC Docket No. 96-98 finding that the UNE or combination of UNEs is not required to be provided by SBC/Ameritech in the relevant geographic area, or (ii) the date of a final, non-appealable judicial decision providing that the UNE or combination of UNEs is not required to be provided by SBC/Ameritech in the relevant geographic area. This Paragraph shall become null and void and impose no further obligation on SBC/Ameritech after the effective date of a final and non-appealable Commission order in the UNE remand proceeding.~~

39. Bell Atlantic/GTE shall continue to make available to telecommunications carriers, in the Bell Atlantic/GTE Service Area within each of the Bell Atlantic/GTE States the UNEs required in Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Notice of Proposed Rulemaking, CC Docket No. 96-98, FCC 99-238 (rel. Nov. 5, 1999) (UNE Remand Order) and Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98 (rel. Dec. 9, 1999) (Line Sharing Order) until the date of a final, non-appealable judicial decision providing that the UNE or combination of UNEs is not required to be provided by Bell Atlantic/GTE in the relevant geographic area. The provisions of this Paragraph shall become null and void and impose no further obligation on Bell Atlantic/GTE after the effective date of final and non-appealable Commission orders in the UNE Remand and Line Sharing proceedings, respectively.

#### **XIV. Alternative Dispute Resolution through Mediation**

54. ~~40.~~ In the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area within each ~~SBC/Ameritech State, SBC/Ameritech~~ Bell Atlantic/GTE State, Bell Atlantic/GTE shall implement, subject to the appropriate state commission's approval ~~and participation~~, an alternative dispute resolution ("ADR") mediation process to resolve carrier-to-carrier disputes regarding the provision of local services, including disputes related to existing and effective interconnection agreements, as described in Attachment ~~D~~ E. Participation in the ADR mediation process established by this Section is voluntary for both telecommunications carriers and state commissions. The process is not intended and shall not be used as a substitute for resolving disputes regarding the negotiation of interconnection agreements under Sections 251 and 252 of the Communications Act, or for resolving any disputes under Section 332 of the Communications Act. The ADR mediation process shall be utilized to resolve local interconnection agreement disputes between ~~SBC/Ameritech~~ Bell Atlantic/GTE and unaffiliated telecommunications carriers at the unaffiliated telecommunications carrier's request.

#### **XIX. Shared Transport in Ameritech States** [Text deleted]

#### **XX. XV. Access to Cabling in Multi-Unit Properties**

57. ~~SBC/Ameritech~~ 41. Bell Atlantic/GTE shall, subject to any required state approvals, offer to conduct a trial with one or more interested, unaffiliated CLECs ~~in each of five large cities~~ within the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area to identify the procedures and associated costs required to provide CLECs with access to cabling within Multi-Dwelling Unit premises ("MDUs") and multi-tenant premises housing small businesses ("MTUs"), where ~~SBC/Ameritech~~ Bell Atlantic/GTE controls the cables. ~~The trials shall be conducted in accordance with the following terms:~~

- a. ~~In each city, the trial shall include buildings that contain, in the aggregate, at least 1,000 residential dwelling units.~~
- b. ~~In at least one city, the trial shall include at least one "campus" of garden apartment dwelling units.~~
- c. ~~In at least one city, the trial shall include at least one MTU.~~
- d. ~~The trials shall provide the CLECs with access at a single point of interconnection to the cabling that SBC/Ameritech controls. Recabling and reconfiguration required by this Section shall be priced at actual cost. Administrative costs associated with recabling and reconfiguration shall be priced at cost in accordance with the pricing rules applicable to UNEs under 47 U.S.C. § 251(d)(2). Disputes regarding the costs incurred and the allocation of such costs among participants in the trials shall be resolved by the Chief of the Common Carrier Bureau.~~
- e. ~~If requested by a CLEC, the first trial shall begin no later than 180 days after the Merger Closing Date. The trials shall be fully deployed within 12 months after the Merger Closing Date.~~

~~Each trial shall be conducted for a period not greater than 12 months.~~

~~f. SBC/Ameritech shall select trial locations and develop a trial plan with input from its CLEC customers. SBC/Ameritech shall negotiate, upon a CLEC's request, regarding access to those buildings used in a trial after the conclusion of that trial. Disputes regarding selection of trial locations shall be resolved by the Chief of the Common Carrier Bureau.~~

g. Taking into account the results of the trials, SBC/Ameritech Bell Atlantic/GTE will negotiate in good faith with CLECs to develop, as an additional alternative to the Minimum Point of Entry in Paragraph ~~58~~ 42 where the property owner(s) or some other party(ies) accepts full responsibility for installing and maintaining all cabling on the customer side of the Minimum Point of Entry, tariffs and/or interconnection agreement amendments that will facilitate single points of interconnection to cabling controlled by SBC/Ameritech Bell Atlantic/GTE in MDUs/MTUs on a going-forward basis.

58. 42. In the SBC/Ameritech Bell Atlantic/GTE Service Area SBC/Ameritech, Bell Atlantic/GTE shall, subject to any required state approvals and consistent with any relevant state laws or regulations, install new cables in a manner that will provide telecommunications carriers a single point of interconnection, as provided in this Paragraph. SBC/Ameritech Bell Atlantic/GTE shall only be required pursuant to this Paragraph to provide a single point of interconnection where the property owner(s) or some other party(ies) accepts full responsibility for installing and maintaining all cabling on the customer side of the single point of interconnection. Nothing in this Paragraph shall restrict property owners' rights to control access to their buildings or property. Access from the public right-of-way to the single point of interconnection is the responsibility of each telecommunications carrier. The provisions of this Paragraph apply only to cable installations for which engineering work is begun after the Merger Closing Date.

a. When SBC/Ameritech Bell Atlantic/GTE is hired to install new cables in a newly constructed or retrofitted single-building MDU or campus of garden apartment dwelling units or a newly constructed or retrofitted multi-tenant business premises that the property owner(s) or some other party(ies) will own and maintain, SBC/Ameritech Bell Atlantic/GTE shall provide the property owner written notice that SBC/Ameritech Bell Atlantic/GTE will, unless the property owner objects,<sup>24</sup> install and provide the new cables in a manner that will permit telecommunications carriers a single point of interconnection at a Minimum Point of Entry if the property owner(s) or some other party(ies) accepts full responsibility for installing and maintaining all cabling on the customer side of the single point of interconnection. Provided, however, that there may be multiple points of entry where the landlord requests diversity.

b. Where SBC/Ameritech Bell Atlantic/GTE (1) would, absent the terms of this Subparagraph, own the new cables in a newly constructed or retrofitted single-building

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<sup>24</sup> It would be inconsistent with the good faith implementation of this Condition for Bell Atlantic/GTE to encourage or solicit the property owner's objection.

MDU or campus of garden apartment dwelling units or a newly constructed or retrofitted multi-tenant business premises, and (2) has the right to do so without the consent of any other party, SBC/Ameritech Bell Atlantic/GTE shall install and provide cables to such multi-unit properties in a manner that will permit telecommunications carriers a single point of interconnection at a Minimum Point of Entry if the property owner(s) or some other party(ies) accepts full responsibility for installing and maintaining all cabling on the customer side of the Minimum Point of Entry. Provided, however, that there may be multiple points of entry where the property owner or other party requests diversity.

c. Where SBC/Ameritech Bell Atlantic/GTE (1) would, absent the terms of this Subparagraph, own the new cables in a newly constructed or retrofitted single-building MDU or campus of garden apartment dwelling units or a newly constructed or retrofitted multi-tenant business premises, but (2) needs the consent of the property owner or another party to install and provide cables to such multi-unit properties in a manner that will permit telecommunications carriers a single point of interconnection at a minimum point of entry, SBC/Ameritech Bell Atlantic/GTE shall provide written notice to the property owner or other party that SBC/Ameritech Bell Atlantic/GTE will, unless the other party objects,<sup>25</sup> install and provide new cables to such multi-unit properties in a manner that will permit telecommunications carriers a single point of interconnection at a Minimum Point of Entry if the property owner(s) or some other party(ies) accepts full responsibility for installing and maintaining all cabling on the customer side of the Minimum Point of Entry. Provided, however, that there may be multiple points of entry where the property owner or other party requests diversity.

## FOSTERING OUT-OF-REGION COMPETITION

### ~~XXI. XVI.~~ Out-of-Territory Competitive Entry(National-Local Strategy)

~~59. SBC/Ameritech entities (including SBC/Ameritech and one or more entities in which SBC/Ameritech owns an equity interest, or the equivalent thereof, of more than 50 percent) shall offer local services in out of territory markets as described in this Paragraph. The SBC/Ameritech entities offering local service in out of territory markets shall be referred to as the "SBC/Ameritech Out of Territory Entities".~~

~~a. The SBC/Ameritech Out of Territory Entities shall provide local service, as described in Subparagraph c of this Section, in 30 markets in which SBC/Ameritech currently does not operate as an incumbent LEC (the "out of territory markets"), which may include markets in states currently served by SBC/Ameritech's incumbent LECs. One or more SBC/Ameritech Out of Territory Entity(ies) may be used to satisfy the requirements contained in this Section for each of the 30 markets. Each of the 30 markets shall be chosen from the 50 out of territory markets listed in Attachment E and shall consist of the area defined by the Office of Management and Budget, as of June 30, 1998, as the Primary Metropolitan Statistical Area of the market (the "PMSA").~~

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<sup>25</sup> It would be inconsistent with the good faith implementation of this Condition for Bell Atlantic/GTE to encourage or solicit the property owner's objection.

b. ~~The initial deployment deadlines for the 30 markets shall be as follows:~~

~~(1) In the Boston, Miami, and Seattle markets, 12 months after the Merger Closing Date.~~

~~(2) For 12 additional out of territory markets (chosen by SBC/Ameritech at its sole discretion from the markets listed in Attachment E), 18 months after the Merger Closing Date.~~

~~(3) For the remaining 15 out of territory markets (chosen by SBC/Ameritech at its sole discretion from the markets listed in Attachment E), the later of: (i) 30 months after the Merger Closing Date, or (ii) 60 days after the date upon which SBC/Ameritech first holds valid authorization to provide originating voice and data interLATA services to at least 60 percent of all access lines (as reported under the Commission's Part 43 rules) served by SBC/Ameritech's incumbent LECs (including SNET).~~

c. ~~SBC/Ameritech shall have fulfilled all requirements of this Section if, for each of the 30 out of territory markets, an SBC/Ameritech Out of Territory Entity meets each of the following service requirements for each of the 30 markets:~~

~~(1) No later than the initial deployment deadline for the market, an SBC/Ameritech Out of Territory Entity shall install a local telephone exchange switch or otherwise obtain local telephone exchange switching capability from a party other than the incumbent LEC in that market. A switch used by an affiliate (as defined in 47 U.S.C. § 153(1)) of SBC/Ameritech to provide cellular or PCS service in an out of territory market shall not satisfy this requirement.~~

~~(2) No later than the initial deployment deadline for the market, an SBC/Ameritech Out of Territory Entity shall provide facilities based local exchange service to each of 3 unaffiliated customers in that market, who may be business and/or non-employee residential customers. For purposes of this Section, "facilities based service" shall mean service provided by an SBC/Ameritech Out of Territory Entity utilizing its own switch or utilizing switching capability from a party other than the incumbent LEC or SBC/Ameritech's cellular or PCS affiliate in that market. For purposes of enforcing this provision under Subparagraph d of this Paragraph and the Communications Act, service to each of the 3 required customers shall be a separate requirement and separate act or failure to act.~~

~~(3) No later than 12 months after the initial deployment deadline for the market, an SBC/Ameritech Out of Territory Entity shall have collocated facilities (using physical, virtual, or other types of collocation) in at least 10 wire centers in that market that can be used to provide facilities based service to customers served by those wire centers. For purposes of enforcing this provision under Subparagraph d of this Paragraph and the Communications Act, collocation in each of the 10 wire centers in the 30 markets shall be a separate requirement and separate act or failure to act.~~

~~(4) No later than 12 months after the initial deployment deadline for the market, an SBC/Ameritech Out of Territory Entity shall offer facilities based local exchange service to all business and residential customers served by the 10 wire centers in that market where~~

~~SBC/Ameritech is required to be collocated. For purposes of enforcing this provision under Subparagraph d of this Paragraph and the Communications Act, service in each of the 10 required wire centers shall be a separate requirement and separate act or failure to act.~~

~~(5) No later than 12 months after the initial deployment deadline for the market, an SBC/Ameritech Out of Territory Entity shall offer local exchange service to all business customers and all residential customers throughout the areas in that market that are, as of 12 months after the initial deployment deadline for the market, within (i) the local service area of the incumbent RBOC (other than SBC/Ameritech) located within the PMSA of the market, or (ii) the incumbent service area of a Tier 1 incumbent LEC (other than SBC/Ameritech) serving at least 10 percent of the access lines in the PMSA. The SBC/Ameritech Out of Territory Entities may provide service under this Paragraph using any means chosen by an SBC/Ameritech Out of Territory Entity at its sole discretion, except that an SBC/Ameritech Out of Territory Entity shall offer facilities based local exchange service to all business and residential customers serviced by the 10 wire centers in the market where SBC/Ameritech has collocated under the requirements of Subparagraph c(4) above. For purposes of enforcing the provisions of this Subparagraph c(5) under Subparagraph d of this Paragraph and the Communications Act, an SBC/Ameritech Out of Territory Entity shall offer service to all business customers and to all residential customers in each sixth of the wire centers in the required service area that are not already required to be served under Subparagraph c(4), using any means chosen by SBC/Ameritech at its sole discretion. For example, if a required market area includes 34 wire centers, and an SBC/Ameritech Out of Territory Entity has collocated in 10 of those wire centers and offered facilities based service to customers served by those 10 wire centers in accordance with Subparagraph c(4), SBC/Ameritech's failure to offer service to all business customers in up to 4 of any of the remaining 24 wire centers (i.e., up to one sixth) would constitute a single violation of this Subparagraph. If an SBC/Ameritech Out of Territory Entity failed to offer either business or residential service in at least 5 but no more than 8 wire centers in this market, there would be 4 separate violations of the requirements of this Subparagraph (i.e., two sixths for both business and residential customers).~~

~~d. Not later than 3 business days after a deadline set forth in Subparagraph c, SBC/Ameritech shall file a notice regarding its satisfaction of the relevant requirements with the Secretary of the Commission. If an SBC/Ameritech Out of Territory Entity fails to satisfy any of the 36 separate requirements for each out of territory market on or before the deadline set forth in Subparagraph c, SBC/Ameritech shall make a one time contribution of \$1.1 million for each missed requirement (up to a total contribution of \$39.6 million per market and \$1.188 billion if SBC/Ameritech Out of Territory Entities fail to satisfy all 36 requirements in all 30 markets) to a fund to provide telecommunications services to underserved areas, groups, or persons. Any such fund shall be established and managed by the state (including the District of Columbia) public utilities commission(s) having jurisdiction over the relevant market(s), if said state commission(s) accept such role. Where required by state law, payment shall be made to another fund or entity required by state law. Where a market includes territory in more than one state, any contribution shall be apportioned to each affected state in proportion to the percentage of all access lines within the PMSA that are within that state. Payments made under this Subparagraph for a failure to satisfy any of the 36 entry requirements shall constitute full satisfaction of the~~

relevant entry requirement. SBC/Ameritech's payments under this Subparagraph shall not be reflected in the revenue requirement of an SBC/Ameritech incumbent LEC. Disputes regarding SBC/Ameritech's satisfaction of the deadlines set forth in Subparagraph e shall be resolved by the Chief of the Common Carrier Bureau, whose decision shall be appealable to the Commission.

e. At the request of an SBC/Ameritech Out of Territory Entity, a deadline established by this Section for an entry requirement may be extended by the Chief of the Common Carrier Bureau for a particular out of territory market for a period equal to any period during which satisfaction of the relevant requirement in the relevant market was rendered impossible or infeasible by a force majeure event or Act of God. In the event that an SBC/Ameritech Out of Territory Entity seeks an extension of time under this Subparagraph, SBC/Ameritech shall file with the Bureau Chief, on or before the relevant deadline, a verified statement of the specific grounds on which the extension is requested and SBC/Ameritech's proposed extension schedule. SBC/Ameritech's filing shall constitute compliance with the relevant deadline pending the Bureau Chief's resolution of SBC/Ameritech's request. Decisions made by the Bureau Chief under this Paragraph are appealable to the Commission.

43. Bell Atlantic/GTE will spend a total of at least \$500 million (the "Out-of-Region Expenditure") between the Merger Closing Date and the end of the 36<sup>th</sup> month after the Merger Closing Date to provide services, including resale, that compete with traditional local telecommunications services offered by incumbent local exchange carriers or to provide Advanced Services to the mass market ("Competitive Local Service") outside the Bell Atlantic and GTE Service Areas ("Out-of-Region Markets"), within the United States.

44. Subject to Paragraph 45, (1) at least 50 percent of the Out-of-Region Expenditure shall be used to construct, acquire, lease, use, obtain, or provide facilities, operating support systems, or equipment that are used to serve customers in Out-of-Region Markets ("Facilities Expenditure") and (2) the remaining Out-of-Region Expenditure may be used to acquire customers for Competitive Local Service in those Out-of-Region Markets ("Customer Acquisition Expenditure").

45. To count toward the Out-of-Region Expenditure, amounts included in the Facilities Expenditure must be spent in conjunction with: (1) the provision of Competitive Local Service; (2) the provision of other telecommunications services, or information services, that are offered jointly with Competitive Local Service; or (3) investments in, or contributions to, ventures that provide Competitive Local Service activity in Out-of-Region Markets by those ventures.

46. At the end of the 36<sup>th</sup> month after the Merger Closing Date: (1) if the Out-of-Region Expenditure is less than \$500 million, then Bell Atlantic/GTE shall pay to the United States Treasury an amount equal to 150 percent of the difference between the Out-of-Region Expenditure and \$500 million; or (2) if the Out-of-Region Expenditure equals or exceeds \$500 million but the Facilities Expenditure is less than \$250 million, the Bell Atlantic/GTE shall pay to the United States Treasury an amount equal to 150 percent of the difference between the Facilities Expenditures and \$250 million.

47. Notwithstanding the foregoing, Bell Atlantic/GTE shall be deemed to have satisfied the commitments in this Section if it provides service, between the Merger Closing Date and the end of the 36<sup>th</sup> month after the Merger Closing Date, over at least 250,000 customer lines that are used to provide Competitive Local Service in Out-of-Region Markets.<sup>26</sup>

48. Until the time this Condition is satisfied, Bell Atlantic/GTE shall meet the following interim targets: between the Merger Closing Date and the end of twelve months after the Merger Closing Date, Bell Atlantic/GTE shall have spent at least \$100 million or provided service over at least 50,000 customer lines in Out-of-Region Markets; and by the end of twenty-four months after the Merger Closing Date, Bell Atlantic/GTE shall have spent at least \$300 million or provided service over at least 150,000 customer lines in Out-of-Region Markets. If a target is met through the specified expenditure, at least 20 percent of the expenditure shall be used to provide Competitive Local Service to residential customers or to provide Advanced Services. If a target is met through the selling of customer lines that are used to provide Competitive Local Services, at least 20 percent of the lines will be used to provide service to residential customers or to provide Advanced Services.

## IMPROVING RESIDENTIAL PHONE SERVICE

### ~~XXH~~ XVII. InterLATA Services Pricing

~~60. SBC/Ameritech~~ 49. Bell Atlantic/GTE shall not institute mandatory, minimum monthly or flat-rate charges on interLATA calls. Specifically, subject to any applicable state regulatory requirements, ~~SBC/Ameritech~~ Bell Atlantic/GTE and its affiliates shall not charge wireline residential consumers a minimum monthly or minimum flat rate charge on interLATA long distance service similar to the charge that is currently assessed by some interexchange carriers.

a. ~~SBC/Ameritech~~ Bell Atlantic/GTE and its affiliates shall not charge a minimum monthly or minimum flat rate charge (as described in this Paragraph) on interLATA services provided to any in-region or out-of-region wireline residential customer within the United States.

b. This Section shall become effective on the first day after the Merger Closing Date ~~on which SBC/Ameritech either provides interLATA services originating in any SBC/Ameritech Service Area. In the GTE states, Bell Atlantic/GTE's obligations under this Section shall end 36 months after the Merger Closing Date. In each of the Bell Atlantic States (including Pennsylvania and Virginia), Bell Atlantic/GTE's obligations under this Section shall end 36 months after Bell Atlantic is authorized to provide interLATA services pursuant to 47 U.S.C. § 271(d)(3), or provides telephone exchange service to residential customers in an out-of-~~

<sup>26</sup> For purposes of this Section, customer lines includes telephone access lines, xDSL or other lines used to provide Advanced Services, cable lines, or other lines of communications used to provide Competitive Local Service.

~~territory market pursuant to the local service commitments set forth in Paragraph 59 of these Conditions. This Section shall terminate on the later of (i) 36 months after its effective date, or (ii) 36 months after the first date on which SBC/Ameritech provides telephone exchange service to residential customers in at least 15 out of territory markets pursuant to the local service commitments set forth in Paragraph 59 of these Conditions.~~§271(d)(3).

c. This Section shall not prohibit ~~SBC/Ameritech~~ Bell Atlantic/GTE or any of its affiliates from passing through to its customers any fees, charges, or taxes (including taxes on ~~SBC/Ameritech's~~ Bell Atlantic/GTE's own charges) imposed or authorized by a federal, state, or other governmental entity and imposed on ~~SBC/Ameritech~~ Bell Atlantic/GTE or any of its affiliates as a result of its provision of interLATA services to its customer. Nor shall this Section prohibit ~~SBC/Ameritech~~ Bell Atlantic/GTE from offering customers an optional, voluntary interLATA services pricing plan that includes a minimum monthly or minimum flat-rate charge, or a pre-paid calling card.

### **~~XXIII~~ XVIII. Enhanced Lifeline Plans**

~~61~~ 50. Not later than 30 days after the Merger Closing Date, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall offer by letter to the appropriate state commission in the ~~SBC~~ Bell Atlantic and ~~Ameritech~~ GTE States (~~except Ohio~~) to file a tariff for an enhanced Lifeline plan in the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area within that state. ~~SBC/Ameritech~~ Bell Atlantic/GTE may fulfill this requirement in a state by either (i) proposing a new, stand-alone Lifeline plan that meets the requirements of this Paragraph, ~~or~~ (ii) proposing to provide additional discounts and/or other enhancements to an existing Lifeline plan in a state which, when combined with the Lifeline benefits provided by the existing plan, meet the requirements of this Paragraph, or (iii) certifying that the existing Lifeline plan (or plans) meets the requirements of this Paragraph. No state shall be required to accept the enhanced Lifeline plan that will be offered by ~~SBC/Ameritech~~ Bell Atlantic/GTE. Copies of ~~SBC/Ameritech's~~ Bell Atlantic/GTE's written offers shall be filed with the Secretary of the Commission. Consistent with applicable state law, the terms and conditions offered by ~~SBC/Ameritech~~ Bell Atlantic/GTE shall be comparable to the terms and conditions of the Ohio Universal Service Assistance ("USA") Lifeline plan set forth in Ameritech Ohio's Alternative Regulation Plan, as in effect on ~~the Merger Closing Date~~ January 27, 2000, in the areas of subscriber eligibility, discounts, and eligible services. See Opinion and Order, Application of the Ohio Bell Tel. Co. for Approval of an Alternative Form of Regulation, Case No. 93-487-TP-ALT, 1994 Ohio PUC LEXIS 956 [~~Nov.~~ (Nov. 23, 1994)], as modified to be consistent with the 1996 Telecommunications Reform Act and other modifications and interpretations by the Public Utilities Commission of Ohio, as in effect on ~~the Merger Closing Date~~ January 27, 2000, in the areas of subscriber eligibility, discounts, and eligible services. Specifically, with respect to discounts, ~~SBC/Ameritech~~ Bell Atlantic/GTE will provide a discount equal to the price of basic residential measured rate service (i.e., access to the network not including any local usage) in each state; provided, however, that the maximum discount to be provided (including all applicable Federal, state and Company contributions) shall not exceed \$10.20 per month. For example, if the current Lifeline discount in a state is \$8.00 per month, ~~SBC/Ameritech~~ Bell Atlantic/GTE will increase that discount by a maximum of \$2.20 per month for those Lifeline customers that meet all of the qualifications in

this Paragraph. This Paragraph is not intended to supersede or eliminate state or federal funding for existing Lifeline programs. Where, for a particular state, SBC/Ameritech Bell Atlantic/GTE does not offer a basic measured rate service that does not include any local usage, to determine the amount of the discount, SBC/Ameritech Bell Atlantic/GTE will determine an estimated price for such a service as a percentage (based on underlying costs) of the most basic service that is offered. If the state commission indicates its acceptance of SBC/Ameritech's Bell Atlantic/GTE's offer within 12 months of SBC/Ameritech's Bell Atlantic/GTE's written offer, SBC/Ameritech Bell Atlantic/GTE shall file a tariff to implement its offer within 60 days of such acceptance. ~~Subject to the requirements of state and federal law, SBC/Ameritech shall maintain its enhanced Lifeline plan in effect in a state for no less than 36 months following the effective date of the initial tariff required by this Section. In Ohio, SBC/Ameritech shall offer, at the state commission's option, to extend Ameritech Ohio's USA Lifeline plan until January 6, 2003.~~ SBC/Ameritech Bell Atlantic/GTE shall offer to provide such enhanced Lifeline plans with the following operational characteristics:

a. Past-Due Bills. Enhanced Lifeline plan customers with past-due bills for local service charges will be offered payment arrangements for such local service charges with an initial payment not to exceed \$25.00 before service is installed and with the balance to be paid in 6 equal monthly payments. Enhanced Lifeline plan customers with past-due bills for toll service charges will be required to have toll restriction service until such past-due toll service charges have been paid.

b. Deposits. New enhanced Lifeline plan customers will not be required to pay a deposit to obtain local service. SBC/Ameritech Bell Atlantic/GTE may request a deposit for toll service unless the customer elects toll restriction service.

c. Verification of Eligibility. SBC/Ameritech Bell Atlantic/GTE will provide prospective enhanced Lifeline plan customers with a written form<sup>27</sup> that will permit the customer to self-verify eligibility through participation in one or more of the qualifying programs. SBC/Ameritech Bell Atlantic/GTE will have the right to audit any such self-verifications and to refuse enhanced Lifeline service to any customer that is not a current participant in one of the eligible programs. SBC/Ameritech Bell Atlantic/GTE will provide quantities of such written forms to state agencies administering qualifying programs so that these agencies, if they choose, can make these forms available to their clients.

d. On-Line Verification of Eligibility. SBC/Ameritech Bell Atlantic/GTE will negotiate in good faith with appropriate state agencies administering qualifying programs to acquire on-line access to the agencies' electronic databases for the purpose of accessing the information necessary to verify a customer's participation in an eligible program. Where such on-line access can be negotiated on reasonable terms and conditions that permit SBC/Ameritech Bell Atlantic/GTE to access such information efficiently, SBC/Ameritech Bell Atlantic/GTE will provide on-line verification of eligibility for a customer claiming (during a discussion with an

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<sup>27</sup> These forms will be provided in English and such other languages as are prevalent in the applicable area served by Bell Atlantic/GTE.

~~SBC/Ameritech~~ a Bell Atlantic/GTE service representative) to be a current participant in one of the eligible programs.

e. Publicity. ~~SBC/Ameritech~~ Bell Atlantic/GTE will agree to spend no less than an annual promotional budget to make potential customers aware of the enhanced Lifeline plan or other programs that benefit low income consumers. The annual promotional budget for each state (shown in Attachment G) is calculated to be ~~proportionate~~ proportional (based on the relative number of residence access lines that ~~SBC/Ameritech~~ Bell Atlantic/GTE has in service in each state) to the \$122,000 annual promotional budget established as part of the USA Lifeline Plan in Ohio. ~~The annual promotional budget, by state, will be: Arkansas—\$30,000; California—\$488,000; Connecticut—\$68,000; Illinois—\$184,000; Indiana—\$64,000; Kansas—\$39,000; Michigan—\$154,000; Missouri—\$78,000; Nevada—\$12,000; Oklahoma—\$50,000; Texas—\$270,000; Wisconsin—\$62,000.~~

f. Toll-Free Number for Lifeline Inquiries. ~~SBC/Ameritech~~ Bell Atlantic/GTE will provide a toll-free telephone number (e.g., an 800 number) for current and potential enhanced Lifeline plan customers to call for subscribing to, or otherwise requesting information or assistance about, the enhanced Lifeline plan.<sup>28</sup>

g. Toll-Free Fax Line for Receiving Lifeline Documentation. ~~SBC/Ameritech~~ Bell Atlantic/GTE will provide a toll-free fax line for current and potential enhanced Lifeline plan customers to submit documentation associated with the enhanced Lifeline plan.

h. Lifeline Message on Voice Response Units ("VRUs"). Where ~~SBC/Ameritech~~ Bell Atlantic/GTE utilizes a VRU to answer customer calls into a service center, ~~SBC/Ameritech~~ Bell Atlantic/GTE will, where it is technically possible to do so, include information about the enhanced Lifeline plan on the VRU menu after the customer indicates an interest in obtaining new service.

i. Upgrading Current Lifeline Customers. Where a state that already has a Lifeline plan determines to offer the enhanced Lifeline plan described in this Paragraph, and where the enhanced Lifeline plan offers a larger discount and in all other respects no worse terms and conditions to an existing Lifeline customer, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall switch qualifying customers (i.e., customers who have provided ~~SBC/Ameritech~~ Bell Atlantic/GTE with sufficient verification that they participate in a qualifying program) to the enhanced Lifeline plan within 180 days of implementing the enhanced Lifeline plan.

j. Timing. The obligations contained in the above Subparagraphs shall not take effect until and unless the Enhanced Lifeline tariffs are accepted and approved by a state commission.

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<sup>28</sup> Bell Atlantic/GTE will endeavor to respond to inquiries made in non-English languages which are prevalent among residents in the areas served by Bell Atlantic/GTE.

**XIX ~~XXIV~~. Additional Service Quality Reporting**

~~62~~ 51. Beginning no later than ~~90~~ 180 days after the Merger Closing Date for the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area in all ~~SBC/Ameritech~~ Bell Atlantic/GTE States except California and Nevada, and beginning no later than 180 days after the Merger Closing Date for the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area in California and Nevada, ~~SBC/Ameritech~~ Bell Atlantic/GTE States, Bell Atlantic/GTE shall file with the Reporting Management Staff of the Commission for the public record, on a quarterly (i.e., January-March, April-June, etc.) basis, state-by-state service quality reports in accordance with the retail service quality reporting recommendations of the NARUC Technology Policy Subgroup "Service Quality White Paper" adopted November 11, 1998. Answer time performance may be reported on a multi-state basis in accordance with the consolidated handling of some calls by ~~SBC/Ameritech~~ Bell Atlantic/GTE call centers. Each such quarterly report shall be filed no later than 50 days after the end of the quarter covered by the report. The first report filed for each state shall cover the most recent quarter that ended at least 50 days prior to the date the report is due. Categories of reporting for retail services include installation and maintenance, switch outages, transmission facility outages, service quality-related complaints, and answer time performance. Reports shall be filed for a period of 36 months following the date of ~~SBC/Ameritech's~~ Bell Atlantic/GTE's first report for that state. A copy of each report for a state shall be included on an ~~SBC/Ameritech~~ Bell Atlantic/GTE Internet website or provided to the relevant state commission.

~~63. SBC/Ameritech~~ 52. Bell Atlantic/GTE shall report on a quarterly basis ARMIS local service quality data required by the Commission separately for each of its operating companies. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall provide service quality data in accordance with Table 1 of ARMIS Report No. 43-05 on a quarterly basis. The service quality data required by this Paragraph shall be included on an ~~SBC/Ameritech~~ Bell Atlantic/GTE Internet website or made available to state commissions in the ~~SBC/Ameritech~~ Bell Atlantic/GTE States.

**XXV. ~~XX~~. NRIC Participation**

~~64. SBC/Ameritech~~ 53. Bell Atlantic/GTE shall continue to participate in the Network Reliability and Interoperability Council ("NRIC"), or a successor organization, if any.

**ENSURING COMPLIANCE WITH  
AND ENFORCEMENT OF THESE CONDITIONS**

**XXVI. XXI. Compliance Program**

~~65. SBC/Ameritech~~ 54. Bell Atlantic/GTE shall establish a Compliance Program as follows:

a. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall appoint a senior corporate officer to oversee ~~SBC/Ameritech's~~ Bell Atlantic/GTE's implementation of, and compliance with, these Conditions; to monitor ~~SBC/Ameritech's~~ Bell Atlantic/GTE's compliance program and progress

toward meeting the deadlines specified herein; to provide periodic reports regarding ~~SBC/Ameritech's~~ Bell Atlantic/GTE's compliance as required by these Conditions; to ensure that payments due under these Conditions are timely made; and to consult with the Chief of the Common Carrier Bureau and other appropriate individuals as the Chief deems necessary on an ongoing basis regarding ~~SBC/Ameritech's~~ Bell Atlantic/GTE's compliance with these Conditions. The corporate compliance officer shall provide copies of all notices ~~SBC/Ameritech~~ Bell Atlantic/GTE provides to the Commission or a state commission to the independent auditor required under Paragraph ~~66~~ 55 and shall consult with the independent auditor regarding ~~SBC/Ameritech's~~ Bell Atlantic/GTE's progress in meeting the deadlines and milestones specified in these Conditions. The audit committee of SBC/Ameritech's corporate compliance officer may be the same corporate officer with responsibility for Bell Atlantic/GTE's compliance with Section 272 obligations. The audit committee of Bell Atlantic/GTE's Board of Directors shall oversee the corporate compliance officer's fulfillment of these responsibilities. The requirements of this Subparagraph shall remain in effect until all other Conditions of this Appendix have expired.

b. Not later than 60 days after the Merger Closing Date, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall submit to the Common Carrier Bureau's Audit Staff ("Audit Staff") for review and comment a plan for compliance with these Conditions. The compliance plan shall be afforded confidential treatment in accordance with the Commission's normal processes and procedures. A letter providing notice of the filing shall be filed the same day with the Secretary of the Commission for the public record.

c. Following the Merger Closing Date, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall submit to the Audit Staff and file for the public record (except for materials for which confidential treatment is requested) an annual compliance report detailing ~~SBC/Ameritech's~~ Bell Atlantic/GTE's compliance with these Conditions during the preceding calendar year. This annual compliance report shall be submitted no later than March 15 (or the first business day thereafter) of the calendar year following the year covered by the report. A report shall be filed for each calendar year in which ~~SBC/Ameritech~~ Bell Atlantic/GTE is subject to obligations under other Sections of these Conditions. The annual compliance report shall address ~~SBC/Ameritech's~~ Bell Atlantic/GTE's compliance with these Conditions and the sufficiency of ~~SBC/Ameritech's~~ Bell Atlantic/GTE's internal controls for complying, shall include a discussion of the efficiencies realized as a result of the merger, and shall be prepared in a format substantially similar, in relevant respects, to the format of the independent auditor's section of the audit report described in Subparagraph ~~66f~~ 55f, below.

#### **~~XXVII.~~ XXII. Independent Auditor**

~~66.~~ SBC/Ameritech 55. Bell Atlantic/GTE shall, at its own expense, annually engage an independent auditor to conduct an examination engagement resulting in a positive opinion (with exceptions noted) regarding ~~SBC/Ameritech's~~ Bell Atlantic/GTE's compliance with all these Conditions and the sufficiency of ~~SBC/Ameritech's~~ Bell Atlantic/GTE's internal controls designed to ensure compliance with such Conditions, except as noted in Paragraph ~~67,~~ below. ~~SBC and Ameritech 56,~~ below. The first annual examination engagement shall exclude

compliance with Section VIII. Bell Atlantic and GTE shall jointly engage an independent auditor for this purpose prior to the Merger Closing Date. The engagement shall be supervised by persons licensed to provide public accounting services and shall be conducted in accordance with the relevant standards of the AICPA. The independent auditor shall be acceptable to the Chief of the Common Carrier Bureau and shall not have been instrumental during the past 24 months in designing all or substantially all of the systems and processes under review in the audit, viewed as a whole. An independent auditor's report shall be filed for each calendar year in which ~~SBC/Ameritech~~ Bell Atlantic/GTE is subject to obligations under other Sections of ~~this Appendix~~ these Conditions, provided that no report shall be due if that report would cover a portion of a calendar year that is less than 60 days. In that event, the period of less than 60 days shall be audited in the report covering the subsequent calendar year, if any. The independent auditor's report (which may consist of multiple reports) shall be prepared and submitted as follows.

a. Not later than ~~45~~ 60 days after the Merger Closing Date, the independent auditor shall submit a preliminary audit program, including the proposed scope of the audit and the extent of compliance and substantive testing, to the Audit Staff. The preliminary audit program shall be afforded confidential treatment in accordance with the Commission's normal processes and procedures. The independent auditor shall consult with the Common Carrier Bureau's Audit Staff and ~~SBC/Ameritech~~ Bell Atlantic/GTE regarding changes to the preliminary audit program, but approval by the Audit Staff shall not be required.

b. During the course of the audit, the independent auditor shall inform the Audit Staff of any revisions to the audit program; notify the Audit Staff of any meetings with ~~SBC/Ameritech~~ Bell Atlantic/GTE in which audit findings are discussed; and consult with the Common Carrier Bureau regarding any accounting or rule interpretations necessary to complete the audit. The independent auditor shall notify ~~SBC/Ameritech~~ Bell Atlantic/GTE of any consultation with the Common Carrier Bureau regarding accounting or rule interpretations.

c. The independent auditor shall have access to books, records, and operations of ~~SBC/Ameritech~~ Bell Atlantic/GTE and its affiliates that are under the control of ~~SBC/Ameritech~~ Bell Atlantic/GTE and are necessary to fulfill the audit requirements of this Section. The independent auditor shall notify ~~SBC/Ameritech's~~ Bell Atlantic/GTE's compliance officer of any inability to obtain such access. The auditor may notify the Audit Staff if access is not timely provided after notification to the compliance officer.

d. The independent auditor may verify ~~SBC/Ameritech's~~ Bell Atlantic/GTE's compliance with these Conditions through contacts with the Commission, state commissions, or ~~SBC/Ameritech's~~ Bell Atlantic/GTE's wholesale customers, as appropriate.<sup>29</sup>

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<sup>29</sup> The term "wholesale customers" includes, but is not limited to, telecommunications carriers that purchase interconnection, services or unbundled elements under tariffs, interconnection agreements or any other means for use in the telecommunications services offered by such telecommunications carriers.

e. The independent auditor may consult with ~~SBC/Ameritech's~~ Bell Atlantic/GTE's corporate compliance officer concerning matters that arise during the course of the year regarding these Conditions. If necessary after such consultation, the independent auditor may notify the Audit Staff of these matters. No later than ~~September~~ June 1 (or the first business day thereafter) of the year following the calendar year covered by the audit, the independent auditor shall submit its final audit report for the preceding year to the Audit Staff. The independent auditor's report shall be made publicly available.

f. The independent auditor's report(s) shall include a discussion of the scope of the work conducted; a statement regarding ~~SBC/Ameritech's~~ Bell Atlantic/GTE's compliance or non-compliance with these Conditions; a statement regarding the sufficiency of ~~SBC/Ameritech's~~ Bell Atlantic/GTE's internal controls for complying with these Conditions; a statement regarding the accuracy of ~~SBC/Ameritech's~~ Bell Atlantic/GTE's annual compliance report for the year covered by the audit; a statement regarding the timeliness and accuracy of the notices provided to the Commission or its staff pursuant to specific notification requirements of these Conditions; a statement regarding the accuracy and completeness of the performance data provided to telecommunications carriers and regulators under these Conditions; and a description of any limitations imposed on the auditor in the course of its review by ~~SBC/Ameritech~~ Bell Atlantic/GTE or other circumstances that might affect the auditor's opinion.

g. For 24 months following submission of the final audit report, the Commission and state commissions in the ~~SBC/Ameritech~~ Bell Atlantic/GTE States shall have access to the working papers and supporting materials of the independent auditor at a location in Washington, D.C. that is selected by ~~SBC/Ameritech~~ Bell Atlantic/GTE and the independent auditor. Copying of the working papers and supporting materials by the Common Carrier Bureau shall be allowed but shall be limited to copies required to verify compliance with and enforce these Conditions. Any copies made by the Common Carrier Bureau shall be returned to ~~SBC/Ameritech~~ Bell Atlantic/GTE by the Common Carrier Bureau. The Common Carrier Bureau's review of the working papers and supporting materials shall be kept confidential pursuant to the Commission's rules and procedures. Prior to obtaining access to the working papers and supporting materials, state commissions shall enter into a protective agreement with the Chief of the Common Carrier Bureau and ~~SBC/Ameritech~~ Bell Atlantic/GTE under which the state commission's review, including any notes, shall be kept confidential.

h. Not later than 60 days following submission of the final audit report, ~~SBC/Ameritech~~ Bell Atlantic/GTE and the Audit Staff shall meet and confer regarding changes to the detailed audit program for the subsequent year's audit.

~~67. SBC/Ameritech~~ 56. \_\_\_\_\_ Bell Atlantic/GTE shall, at its own expense and under the same retention timetable set out in Paragraph ~~66~~ 55, annually engage an independent auditor to perform an agreed-upon procedures engagement regarding compliance with the separate Advanced Services affiliate requirements of Section I of these Conditions. The independent auditor shall be acceptable to the Chief of the Common Carrier Bureau and shall not have been instrumental during the preceding 24 months in designing all or substantially all of the systems and processes under review in the audit, viewed as a whole. The independent audit shall be

supervised by persons licensed to provide accounting services and shall be conducted in accordance with the relevant standards of the AICPA. For purposes of the engagement required by this Subparagraph, the Commission and SBC/Ameritech Bell Atlantic/GTE shall be the only specified users; the Chief of the Common Carrier Bureau and SBC/Ameritech Bell Atlantic/GTE must both consent to the audit methods and procedures to be used; and the independent auditor must accept those methods and procedures. In the event such mutual consent cannot be obtained, an independent third-party panel of auditors will be selected by SBC/Ameritech Bell Atlantic/GTE and the Chief of the Common Carrier Bureau and paid for by SBC/Ameritech Bell Atlantic/GTE to arbitrate any dispute. An independent auditor's report shall be filed for each calendar year in which SBC/Ameritech Bell Atlantic/GTE is subject to separate affiliate obligations under Section I, provided that no report shall be due if that report would cover a portion of a calendar year that is less than 60 days. In that event, the period of less than 60 days shall be audited in the report covering the subsequent calendar year, if any. ~~In the event that the Merger Closing Date is later than November 1, 1999, the implementation schedule for the agreed-upon procedures engagement required by this Paragraph shall be revised as follows: (i) the independent auditor shall perform an agreed-upon procedures engagement in accordance with the requirements of this Paragraph for the first six months~~ Not later than 120 days after the Merger Closing Date, and shall submit a report for this audit no later than September 1, 2000, and (ii) the subsequent regularly scheduled agreed-upon procedures engagement shall not cover the first six months after the Merger Closing Date the preliminary audit program shall be submitted as described in Subparagraph 55a above. The independent auditor's report shall be prepared and submitted as described in Subparagraphs ~~66b-h, above, provided that~~ SBC/Ameritech 55b-h, above, except that the report shall be submitted no later than May 1 (or the first business day thereafter) of the year following the year covered by the audit, provided that Bell Atlantic/GTE and the Chief of the Common Carrier Bureau, working with the independent auditor selected by SBC/Ameritech Bell Atlantic/GTE, shall make good-faith efforts to determine the procedures to be used in the engagement no later than 90 days after the Merger Closing Date. In determining the procedures to be used, SBC/Ameritech Bell Atlantic/GTE and the Chief of the Common Carrier Bureau shall give due consideration to the procedures established for biennial audits under 47 U.S.C. § 272(d).

## **XXVIII. XXIII. Enforcement**

~~68~~ 57. The specific enforcement mechanisms established by these Conditions do not abrogate, supersede, limit, or otherwise replace the Commission's powers under the Communications Act. Performance or non-performance of these Conditions by SBC/Ameritech Bell Atlantic/GTE does not in itself constitute compliance or non-compliance with any federal, state, or local law or regulation, except SBC/Ameritech's Bell Atlantic/GTE's obligation to perform these Conditions. The payments for non-performance specifically required by these Conditions, to which SBC/Ameritech Bell Atlantic/GTE has voluntarily agreed, are payments in the public interest and are not penalties, forfeitures, or fines.

~~69~~ 58. If the Chief of the Common Carrier Bureau makes a determination that SBC/Ameritech Bell Atlantic/GTE has during the effective period of a Condition failed to comply with that Condition, the Bureau Chief may, at his or her discretion, extend the effective

period of that Condition for a period that does not exceed the period during which ~~SBC/Ameritech~~ Bell Atlantic/GTE failed to comply with the Condition. If the failure to comply that causes the Bureau Chief to extend a Condition also has had the effect of denying a person or entity access to a facility or service or the intended benefit required to be provided under another of these Conditions, the Bureau Chief may, in his or her discretion, extend the period during which ~~SBC/Ameritech~~ Bell Atlantic/GTE is required to comply with the other Condition for a period that does not exceed the period during which access to the facility or service or intended benefit was unavailable. ~~SBC/Ameritech~~ Bell Atlantic/GTE may appeal the Bureau Chief's decisions made pursuant to this ~~paragraph~~ Paragraph to the Commission.

~~70. SBC/Ameritech~~ 59. Bell Atlantic/GTE shall be strictly obligated to make the payments for non-performance specifically required by these Conditions, and no showing of a willful violation shall be necessary in order to enforce such payments. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall not be liable for any payments, however, if the Chief of the Common Carrier Bureau grants a waiver request filed by ~~SBC/Ameritech~~ Bell Atlantic/GTE in which ~~SBC/Ameritech~~ Bell Atlantic/GTE will have the burden of proof to demonstrate that the failure to meet a condition was caused by a force majeure event or an Act of God. If the Chief of the Common Carrier Bureau refuses to grant a waiver, ~~SBC/Ameritech~~ Bell Atlantic/GTE may appeal that decision to the Commission.

~~71~~ 60. Except as otherwise provided in these Conditions, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall make payments due under these Conditions within 10 business days of a determination by ~~SBC/Ameritech's~~ Bell Atlantic/GTE's compliance officer, the Chief of the Common Carrier Bureau, the Commission, or an arbitrator, that payment is due. If the Commission or a state commission has not taken an action to designate or administer a fund that is required in order for ~~SBC/Ameritech~~ Bell Atlantic/GTE to make a payment required under these Conditions, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall make its payment into an interest bearing escrow account pending such action. If ~~SBC/Ameritech's~~ Bell Atlantic/GTE's obligation to make a payment is disputed by ~~SBC/Ameritech~~, ~~SBC/Ameritech~~ Bell Atlantic/GTE, Bell Atlantic/GTE shall make the disputed payment into an interest bearing escrow account within 10 business days of the date the payment was due. Within 10 business days of making a payment of a disputed amount into escrow, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall file with the Commission a verified statement of the grounds on which payment is not required. Subject to rights of rehearing and appeal, the escrowed payments (including any accrued interest) shall be returned to ~~SBC/Ameritech~~ Bell Atlantic/GTE or paid to the appropriate fund in accordance with the final and non-appealable Commission or judicial order resolving the dispute. A decision by the Chief of the Common Carrier Bureau under this Paragraph is appealable to the Commission.

~~72~~ 61. The Chief of the Common Carrier Bureau may in his or her discretion, upon a request and showing of good cause by ~~SBC/Ameritech~~ Bell Atlantic/GTE, grant extensions of deadlines established by these Conditions.

~~73. SBC/Ameritech~~ 62. Bell Atlantic/GTE shall not be excused from its obligations under these federal Conditions on the basis that a state commission lacks jurisdiction under state

law to perform an act specified or required by these Conditions (e.g., review and approve interconnection agreement amendments, or determine if telecommunications providers violate requirements associated with the promotional discounts).

#### **XXIX. XXIV. Sunset**

~~63.~~ Except where other termination dates are specifically established herein, all Conditions set out in this Appendix, except for the Conditions requiring SBC/Ameritech Bell Atlantic/GTE to provide Advanced Services through one or more separate affiliates, as set out in Section I, shall cease to be effective and shall no longer bind SBC/Ameritech Bell Atlantic/GTE in any respect 36 months after the Merger Closing Date, unless the Commission orders that a Condition or Conditions be extended for noncompliance reasons in accordance with Paragraph ~~69~~ 58 above. Unless specifically stated otherwise, it is intended that each of the Conditions will generate 36 months of benefit. Since some of the Conditions will not become effective or operational until sometime after the Merger Closing Date, such ~~conditions~~ Conditions will remain in effect (as specified) longer than 36 months after the Merger Closing Date.

#### **XXV. Effect of Conditions**

~~75~~ 64. The various offerings and initiatives contained in these Conditions, including but not limited to the carrier-to-carrier promotions, OSS requirements, and performance monitoring ~~conditions~~ Conditions, may substantially duplicate requirements imposed in connection with the merger under state law. These Conditions shall supplement, but shall not be cumulative of, substantially related conditions imposed under state law. Where both these Conditions and conditions imposed in connection with the merger under state law grant parties similar rights against SBC/Ameritech Bell Atlantic/GTE, affected parties shall not have a right to invoke the relevant terms of these Conditions in a given state if they have invoked a substantially related condition imposed on the merger under state law. For example, telecommunications carriers requesting unbundled local loops for residential service under promotional terms offered pursuant to state approval of the merger would not also be able to invoke the promotional discounts on unbundled loops required by these Conditions. Furthermore, any unbundled local loops provided by SBC/Ameritech Bell Atlantic/GTE for residential service under a substantially similar merger-related state commission imposed promotion in a given state would be deducted from the number of unbundled local loops required to be provided in that state under Section ~~XIV~~ XI of these Conditions. This Section shall not limit the Commission's powers to enforce these Conditions or the reporting requirements of SBC/Ameritech Bell Atlantic/GTE under these Conditions.

~~76~~ 65. When considering a request by SBC/Ameritech Bell Atlantic/GTE for in-region, interLATA authority under 47 U.S.C. § 271, the Commission – in view of the public interest benefits inherent in compliance with the requirements of 47 U.S.C. § 271(d)(3) – shall not consider the possible expiration of any of the above Conditions per the terms of this Appendix to be a factor that would render the requested authorization inconsistent with the public interest, convenience, and necessity.

----- COMPARISON OF FOOTNOTES -----

~~-FOOTNOTE 1-~~

~~All annotations to these Conditions contained in the following footnotes are explanatory notes that have been added to SBC/Ameritech's proposed conditions by the Commission in order to facilitate implementation and enforcement of these Conditions. Because of the insular nature of the Commonwealth of the Northern Marianas Islands (CNMI), only the following Conditions shall apply in the CNMI: Section IV (Non-discriminatory Rollout of xDSL Services); Section XIV (Alternative Dispute Resolution through Mediation); Section XVII (InterLATA Services Pricing); Section XVIII (Enhanced Lifeline Plans); Section XIX (Additional Service Quality Reporting); Section XXI (Compliance Program); Section XXII (Independent Auditor); Section XXIII (Enforcement); Section XXIV (Sunset); and Section XXV (Effect of Conditions).~~

~~-FOOTNOTE 2-~~

~~The intent of these Conditions is to address concerns raised by the proposed merger. To the extent that these Conditions impose fewer or less stringent obligations on SBC/Ameritech than the requirements of any past or future Commission decision or any provisions of the 1996 Act or the Commission or state decisions implementing the 1996 Act or any other pro-competitive statutes or policies, nothing in these Conditions shall relieve SBC/Ameritech from the requirements of that Act or those decisions. The approval of the proposed merger subject to these Conditions does not constitute any judgment by the Commission on any issues of either federal or state competition law. In addition, these conditions shall have no precedential effect in any forum, and shall not be used as a defense by the Merging Parties in any forum considering additional procompetitive rules or regulations. The terms Bell Atlantic States and Service Area and GTE States and Service Area include only those states and service areas where Bell Atlantic/GTE will have incumbent local telephone operations after the Merger Closing Date and after execution of planned sales of local exchange properties.~~

~~-FOOTNOTE 3-~~

~~The term "chaining transactions" refers to transactions between the incumbent LEC and separate affiliate through other SBC/Ameritech Bell Atlantic/GTE entities.~~

~~-FOOTNOTE 4-~~

~~This means that the Commission does not regard the separate affiliate as a per se successor or assign based on the relationship described in these Conditions. Rather, there is a rebuttable presumption that the separate affiliate will not be a successor or assign. The final determination of whether a relationship establishes a successor or assign is a case-by-case determination based on the totality of the facts and circumstances.~~

~~-FOOTNOTE 5 4-~~

~~The term "assets" is defined as equipment, software, customer accounts, initial capital contribution, and real estate.~~

~~-FOOTNOTE 6-~~

~~This means that the Commission does not regard the separate affiliate as a per se successor or assign based on the transactions contemplated by these Conditions. Rather, there is a rebuttable presumption that the separate affiliate will not be a successor or assign. The final determination of whether transfers of assets or employees establishes a successor or assign is a case by case determination based on the totality of the facts and circumstances.~~

~~-FOOTNOTE 7 5-~~

Billing and collection services will be offered on a sufficiently disaggregated basis so that an unaffiliated telecommunications carrier may select only the particular services it requires.

~~-FOOTNOTE 8-~~

~~OI&M services that are subject to the Commission's UNE pricing rules are subject to forward-looking pricing methodologies. For example, SBC/Ameritech will be undertaking various operations, maintenance, and installation functions as a normal consequence of providing services, unbundled elements and interconnection. These normal functions will be priced in accordance with forward looking rules applicable to the underlying service, unbundled element or interconnection.~~

~~-FOOTNOTE 9-~~

~~If the Advanced Services affiliate is provided network planning, engineering, design, and assignment services from another SBC/Ameritech entity (which is not an incumbent LEC), and if that other entity has substantial relationships with the incumbent LEC such that the other entity probably is a successor or assign of the incumbent LEC, a question would arise as to whether the Advanced Services affiliate is also a successor or assign of the incumbent LEC.~~

~~-FOOTNOTE 10-~~

~~If the Advanced Services affiliate is provided services, facilities, or network equipment from another SBC/Ameritech entity (which is not an incumbent LEC) and if that other entity has substantial relationships with the incumbent LEC such that the other entity probably is a successor or assign of the incumbent LEC, a question would arise as to whether the Advanced Services affiliate is also a successor or assign of the incumbent LEC.~~

~~-FOOTNOTE 11 6-~~

Advanced Services Equipment does not include DACS frames used for voice services.

~~-FOOTNOTE 7-~~

Splitters and other equipment on customer premises will continue to be classified as CPE where such equipment is CPE under the Commission's rules.

~~-FOOTNOTE 12 8-~~

Where transactions between the incumbent LEC and the separate affiliate are required to be on a non-discriminatory basis, such transactions between the separate affiliate and the incumbent LEC shall be conducted in the same manner in which unaffiliated entities conduct transactions with the incumbent LEC.

~~-FOOTNOTE 13~~ 9-

~~We note that the~~ The corporate compliance officer described in ~~paragraph 65~~ Paragraph 49 of these Conditions will notify appropriate Commission staff when the transaction period ends (i.e., when ~~SBC/Ameritech~~ Bell Atlantic/GTE has stopped receiving and processing Advanced Services-related trouble reports and performing related trouble isolation on behalf of the separate Advanced Services affiliate on an exclusive basis).

~~-FOOTNOTE 14~~ 10-

This means that these functions may not be provided by the incumbent LEC as part of the OI&M contemplated in ~~subparagraph~~ Subparagraph 3c.

~~-FOOTNOTE 15~~ 11-

The brand and model number of the particular Advanced Services Equipment will generally not be a material term or condition, so that the incumbent LEC will provide non-discriminatory service regardless of the specific equipment brand and model selected by unaffiliated carriers. Unaffiliated entities shall pay reasonable costs to train the incumbent LEC's employees to service the equipment.

~~-FOOTNOTE 16~~ 12-

~~Id.~~ Incumbent LEC work order processes, including interfaces, must also be non-discriminatory.

~~-FOOTNOTE 17-~~

~~Id.~~

~~-FOOTNOTE 18-~~

~~The fact that unaffiliated telecommunications carriers and the separate affiliate are using the same interface, process, and procedure, even if other interfaces, processes, and procedures are made available by the incumbent LEC to accomplish the same purpose, would be evidence of good faith, non-discriminatory implementation of this Condition.~~

~~-FOOTNOTE 19-~~

~~Id.~~

~~-FOOTNOTE 20-~~

~~Id.~~

~~-FOOTNOTE 21~~ 13-

This means that the functions may not be provided by the incumbent LEC as part of the OI&M contemplated in Subparagraph 3c.

~~-FOOTNOTE 22-~~

~~Id.~~

~~-FOOTNOTE 23-~~

~~Id.~~

~~-FOOTNOTE 24 14-~~

Only the information required to perform the permitted function may be extracted from the record, and such information may be used only for a permitted purpose. Systems used for providing information to the incumbent LEC are to be designed consistent with these limitations.

~~-FOOTNOTE 25 15-~~

The ILEC will provide access to all records associated with services or unbundled elements provided to the separate affiliate and unaffiliated providers of Advanced Services in a non-discriminatory fashion, and will keep all such records in a manner equally useful to the separate affiliate and unaffiliated providers of Advanced Services.

~~-FOOTNOTE 26 16-~~

This means that the functions may not be provided by the ILEC as part of the OI&M contemplated in Subparagraph 3c.

~~-FOOTNOTE 27-~~

~~The fact that unaffiliated telecommunications carriers and the separate affiliate are using the same interface, process, and procedure, even if other interfaces, processes, and procedures are made available by the incumbent LEC to accomplish the same purpose, would be evidence of good faith, non-discriminatory implementation of this Condition.~~

~~-FOOTNOTE 28-~~

~~The brand and model number of the particular Advanced Services Equipment will generally not be a material term or condition, so that the incumbent LEC will provide nondiscriminatory service regardless of the specific equipment brand and model selected by unaffiliated carriers. Unaffiliated entities shall pay reasonable costs to train the incumbent LEC's employees to service the equipment.~~

~~-FOOTNOTE 29-~~

~~The fact that unaffiliated telecommunications carriers and the separate affiliate are using the same process and procedure, even if other processes and procedures are made available by the incumbent LEC to accomplish the same purpose, would be evidence of good faith, non-discriminatory implementation of this Condition.~~

~~-FOOTNOTE 30-~~

~~Id.~~

~~-FOOTNOTE 31-~~

~~The brand and model number of the particular Advanced Services Equipment will generally not be a material term or condition, so that the incumbent LEC will provide nondiscriminatory service regardless of the specific equipment brand and model selected by unaffiliated carriers. Unaffiliated entities shall pay reasonable costs to train the incumbent LEC's employees to service the equipment.~~

~~FOOTNOTE 32-~~

~~The incumbent LEC's offer must include—without additional charge—processes and procedures which protect unaffiliated carriers' proprietary interests in the identity of their customers. Failure to satisfy this requirement would be evidence that this condition has not been implemented in a good faith, non-discriminatory fashion.~~

~~FOOTNOTE 33-~~

~~Good faith implementation of this condition would require that the incumbent take the same steps to discover the identity of the provider of Advanced Services (e.g., by asking the customer), regardless of who is providing the Advanced Services. However, the incumbent cannot use the information obtained as a result of the transfer for any marketing or sales purpose.~~

~~FOOTNOTE 34-~~

~~The fact that unaffiliated telecommunications carriers and the separate affiliate are using the same interface, process, and procedure, even if other interfaces, processes, and procedures are made available by the incumbent LEC to accomplish the same purpose, would be evidence of good faith, non-discriminatory implementation of this Condition.~~

~~FOOTNOTE 35 17-~~

~~New activations for embedded customers are governed by Subparagraph (2).~~

~~FOOTNOTE 36 18-~~

~~These negotiations are to be on an "arm's length" basis.~~

~~FOOTNOTE 37-~~

~~If the interconnection agreement negotiated between the SBC/Ameritech incumbent LEC and its separate affiliate has not become effective within 90 days of the filing date pursuant to 47 U.S.C. § 252(e)(4), SBC/Ameritech will follow the rule in Subparagraph 5a above with respect to jurisdictionally interstate services.~~

~~FOOTNOTE 38-~~

~~Id.~~

~~FOOTNOTE 39-~~

~~Id.~~

~~FOOTNOTE 40-~~

~~The separate Advanced Services affiliate may not provide interLATA services in a state until: 1) the SBC/Ameritech incumbent LEC serving that state has received any required interLATA authority from the Commission; and 2) the separate Advanced Services affiliate complies with the separate affiliate requirements of section 272 and the Commission's rules.~~

~~FOOTNOTE 41-~~

~~This condition presumes that the separate Advanced Services affiliate is not found to be a successor or assign of the incumbent LEC.~~

~~-FOOTNOTE 42 19-~~

Any such audit or inspection is limited to being a “technical” audit.

~~-FOOTNOTE 43 20-~~

This restriction includes, in particular, employees of the separate Advanced Services affiliate or ~~SBC/Ameritech~~ Bell Atlantic/GTE personnel who perform the retail functions contemplated in Subparagraphs 3a-3c.

~~-FOOTNOTE 44-~~

~~It is anticipated that after this 48 month period, the change management process will provide a reasonable notice period concerning SBC/Ameritech’s plans to discontinue the availability of these enhancements.~~

~~-FOOTNOTE 45-~~

~~See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Second Further Notice of Proposed Rulemaking, CC Docket No. 96-98, FCC 99-70 (rel. Apr. 16, 1999).~~

~~-FOOTNOTE 46-~~

~~For example, the Arbitration Order, Petition of BroadSpan Communications, Inc. for Arbitration of Unresolved Interconnection Issues Regarding ADSL with Southwestern Bell Telephone Company, Case No. TO 99-370 (Mo. PSC issued June 15, 1999).~~

~~-FOOTNOTE 47 21-~~

The rates, terms, and conditions associated with loop conditioning will be sufficiently disaggregated so that an unaffiliated telecommunications carrier may select only the conditioning it requires on a particular loop.

~~-FOOTNOTE 22-~~

Bell Atlantic/GTE will act in good faith in determining whether to agree voluntarily to such arbitrated provisions in the latter state(s) and in determining whether to submit such arbitrated provisions to immediate arbitration in the latter state(s).

~~-FOOTNOTE 48 23-~~

The scope of any such audit or inspection is limited to determining whether the promotional discount is being provided in accordance with this condition.

~~-FOOTNOTE 49-~~

~~Id.~~

~~-FOOTNOTE 50-~~

~~This paragraph would only have practical effect in the event that the Commission’s rules adopted in the UNE Remand proceeding, (Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Second Further Notice of Proposed Rulemaking, CC Docket~~

~~No. 96-98, FCC 99-70 (rel. Apr. 16, 1999), are stayed or vacated.~~

~~-FOOTNOTE 51 24-~~

It would be inconsistent with the good faith implementation of this Condition for ~~SBC/Ameritech~~ Bell Atlantic/GTE to encourage or solicit the property owner's objection.

~~-FOOTNOTE 52 25-~~

It would be inconsistent with the good faith implementation of

~~-FOOTNOTE 53-~~

~~Id.~~

~~-FOOTNOTE 54-~~

~~SBC/Ameritech's failure to make any payments required by this Condition would be considered a violation of this Order and could subject SBC/Ameritech to penalties, fines, for Bell Atlantic/GTE to encourage or forfeitures, pursuant solicit the property owner's objection.~~

~~-FOOTNOTE 26-~~

For purposes of this Section, customer lines includes telephone access lines, xDSL or other lines used to general Commission authority, provide Advanced Services, cable lines, or other lines of communications used to provide Competitive Local Service.

~~-FOOTNOTE 55 27-~~

These forms will be provided in English and such other languages as are prevalent in the applicable area served by ~~SBC/Ameritech~~ Bell Atlantic/GTE.

~~-FOOTNOTE 56 28-~~

~~SBC/Ameritech~~ Bell Atlantic/GTE will endeavor to respond to inquiries made in non-English languages which are prevalent among residents in the areas served by ~~SBC/Ameritech~~ Bell Atlantic/GTE.

~~-FOOTNOTE 57 29-~~

The term "wholesale customers" includes, but is not limited to, telecommunications carriers that purchase interconnection, services or unbundled elements under tariffs, interconnection agreements or any other means for use in the telecommunications services offered by such telecommunications carriers.